

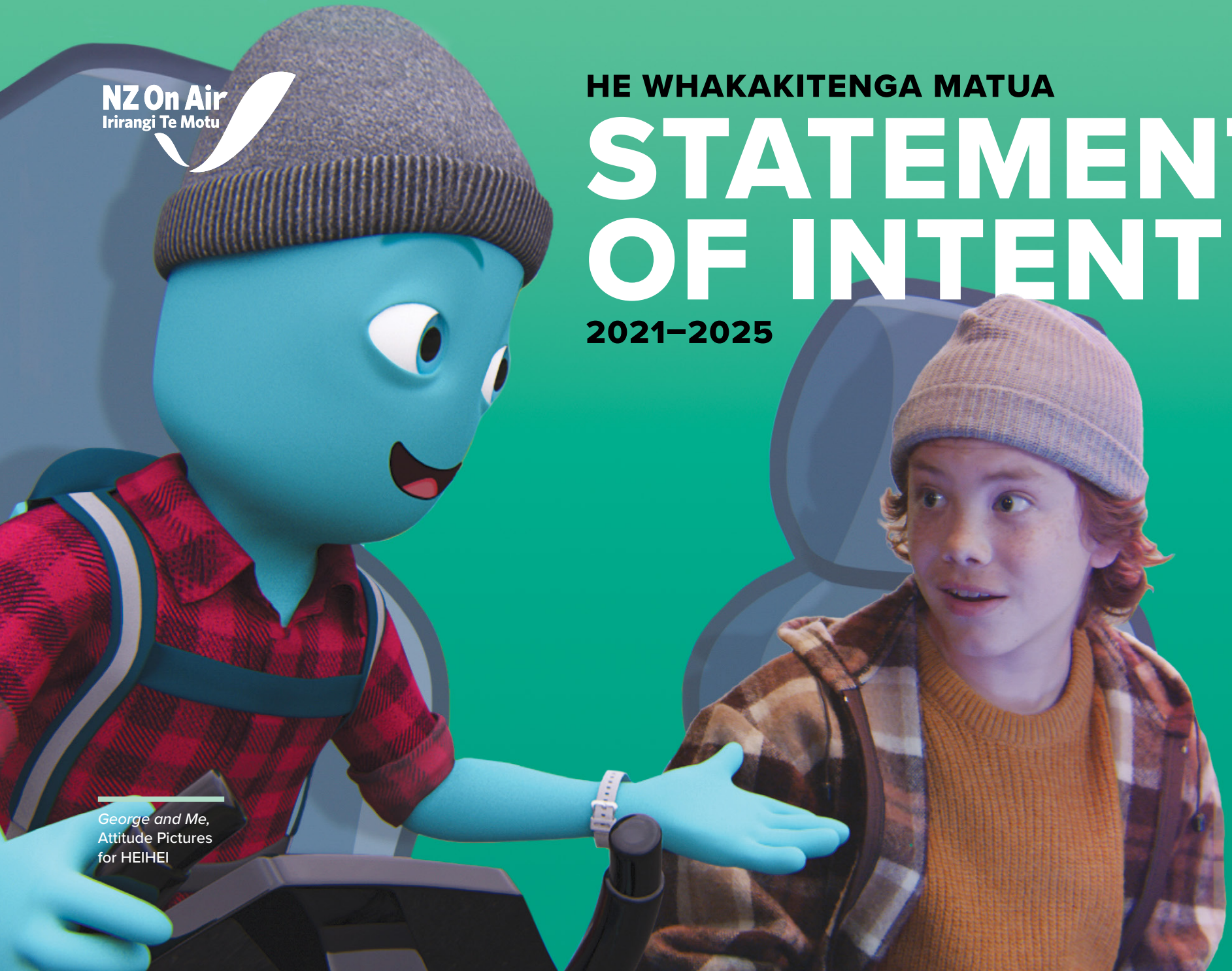
NZ On Air
Irirangi Te Motu

HE WHAKAKITENGA MATUA

STATEMENT OF INTENT

2021–2025

George and Me,
Attitude Pictures
for HEIHEI



HE RĀRANGI TAKE CONTENTS

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Health and
Capability

Singer/songwriter
JARNA
Single – I'm Fine



HE TAUĀKĪ NĀ TE POARI

FROM THE BOARD

Reflecting the many different cultures and identities of New Zealanders is at the heart of our mandate.

Over the past year we've witnessed the powerful role quality public media plays in ensuring New Zealanders are engaged and well-informed. As we faced necessary restrictions on our lives through the COVID-19 pandemic we increasingly turned to media we can access in our homes and our pockets for information, entertainment, escapism and solace. There is comfort to be found in seeing people and places familiar to us reflected in the media we consume, and feeling confident to trust the content.

NZ On Air ensures that amid the profusion of global content, Aotearoa's stories and songs find a place on the platforms that audiences use in their daily lives. Our agency supports the media and music sectors by responding strategically and consistently to environmental change.

Our creative and media sectors were hit hard by COVID-19 but also showed their resilience. With additional Government funding in place for the next one to two years, NZ On Air is tasked with supporting the sustainability of the media and music sectors, so that local audiences do not lose the taonga of their stories and songs.

*\$10m already committed in 2020/21 year

In this Statement of Intent, for the period 2021–2025, we more clearly articulate our strategy, to ensure we continue to improve outcomes for audiences. A new Strategic Framework ensures that we 'lift up and look out', whilst maintaining the regular funding rounds, to ensure the agency continues to evolve to reflect the communities we serve.

Our Mission statement *To foster and fund great NZ media content that reflects the diverse communities of Aotearoa* drives us. Our investment strategy, the NZ Media Fund (NZMF) continues to guide our work, under-pinned by robust research and data.

A comprehensive independent three-year review of the NZMF found we have a solid foundation from which to keep building. Keeping abreast of the fast changing media landscape, the evolving needs both of platforms and audiences, our funding will continue to be applied where it is most needed.

New in this forecast period, is \$45 million* extra of Crown funding to support public interest journalism. Along with the funding comes an implicit vote of confidence in our ability to be independent,

impartial and fair in supporting the health of the fourth estate and, ultimately democracy.

Our Board and staff are a strong and passionate team of advocates for quality public media. We aim to show leadership in ensuring New Zealanders can access content that reflects and develops their identities and cultures. We do this with a commitment to honouring Te Tiriti o Waitangi, and engaging all New Zealanders in the continued development of our nationhood.



DR RUTH HARLEY, CNZM OBE
Chair



PHILIP BROUGHTON
Chair of Audit & Risk Committee

30 June 2021

KO MĀTOU TĒNEI WHO WE ARE

Public media has a vital role in well-being, through creating social cohesion and connection, and in supporting democracy. NZ On Air’s broad remit ensures New Zealand’s culture and identity is reflected in our media.

Through our funding support, NZ On Air ensures stories and songs made by, for and about New Zealanders are available to engage with and enjoy whenever and wherever audiences demand them. In today’s dynamic and fast-changing media environment the agility of the NZ On Air funding model is its major strength. We complement RNZ, serving audiences and content not found on the state broadcaster. Alongside Te Māngai Pāho, we have a responsibility to promote te reo Māori and tikanga Māori.

Our funding underpins creative careers, encourages innovation,

OUR VISION

CONNECTING AND REFLECTING AOTEAROA

OUR MISSION

TO FOSTER AND FUND GREAT NZ MEDIA CONTENT THAT REFLECTS THE DIVERSE COMMUNITIES OF AOTEAROA.

and strives to ensure media content in Aotearoa is inclusive. To authentically reflect New Zealand, content creators should be broadly reflective of the growing diversity of our population. All New Zealanders should be able to find public media content they can identify with – featuring faces and voices that look and sound like them.

An autonomous Crown entity established under the Broadcasting Act, we are governed by a Board of six directors from a variety of backgrounds in media, law and business. We are proud champions of local stories and songs, and prudent investors of taxpayer funds.

OUR GOALS

Our investment strategy is expressed as the **NZ Media Fund**. Its goals are:

QUALITY CONTENT

NZ audiences enjoy well-made* local content that matters

DIVERSE CONTENT

NZ audiences value local content made for a range of communities

DISCOVERABLE CONTENT

NZ audiences can find and appreciate local content

We support these goals by **collaborating** with others in the public media space to maximise outcomes, demonstrating **sector leadership**, and informing our work and the sector’s work with robust **research and data**, and maintaining **robust investment processes**.

*means relative to the level of funding and the context of other content on the platform.

FIGURE 1: Our strategic framework

OUR PROMISE

We make the following commitments about how we will work. We will be:

INCLUSIVE so that content reflects our diverse communities

CLEARLY FOCUSED on content outcomes

INFORMED CONTRIBUTORS as public media experts

LOOKING FOR CONTINUAL IMPROVEMENT and open to new ideas

RESPONSIBLE STEWARDS who are careful with public funds

FRIENDLY FACES who are collaborative and approachable

POSITIVE because we love what we do

ECONOMIC CONTRIBUTORS who actively consider economic growth goals

FAIR TO ALL with transparent and simple processes

KA AHA TĀTOU?

WHAT WILL WE DO

Our well-signalled and researched investment and development strategies ensure funding is targeted and effective in providing content and services for all New Zealanders. Our investment strategy is expressed as a single fund: The NZ Media Fund. Founded on core public media principles, the NZMF has four funding streams – Scripted, Factual, Music and Platforms.

Our nine investment principles (Pg.7) encompass Cultural value, Balance, Risk, Competition, Value for money, No duplication, Leverage, Capability and Fairness.

In addition to the four funding streams of the NZMF we operate an Industry Development Fund to support the sectors we work with to build capability and resilience.

We invest over \$145m annually in a very broad range of content for local audiences, boosted by additional time-limited funding to aid sector recovery from the COVID-19 crisis. We fill market gaps that are inevitable due to our small market, and ensure local content is not swamped by the global tide of content. Over recent years the demand for funding, from content makers and platforms, has grown exponentially.

An additional \$45m over two years (plus \$10m already committed in 2020/21) will support public interest journalism through a commercially challenging period for local news media. The funding will be delivered via three pillars of investment activity focused on Projects, Roles and Industry development. We will be looking to support journalism at a local, regional and national level, across print, broadcast and online media, and for all New Zealanders but in particular under-served audiences.

A new fund, Te Puna Kairangi, of \$50m over two years will be administered jointly with the NZ Film Commission and Te Māngai Pāho to support premium productions for domestic and international audiences.

We also provide operational funding to vital public media platforms and services, such as Pacific radio and community access media, and captioning services. A four-year funding boost from 2020/21 ensures the financial viability and growth of these crucial community-connecting services.

We invest in industry development, to ensure creative capability flourishes, and we run an ongoing research programme. Our sector capability investment focuses on encouraging diversity among creatives, and building resilience and sustainable careers. The research we produce or commission provides valuable information to industry and policymakers, and ensures our strategies reflect the real world.

FIGURE 2: Funding strategy summary



HEI RAUTAKI HAERE WHAKAMUA

STRATEGIC DIRECTION

TE TAI AO

ENVIRONMENT

New Zealand's media landscape is fast-changing and in many areas, fragile. In an environment of constant change, driven by demographic and technological change, the global COVID-19 pandemic created uncertainty and opportunities.

Media businesses dependent on advertising revenue, the music industry dependent on live music touring, and production houses needing to put casts and crews in close proximity all faced new challenges. Our island nation's isolation then became our strength, and now provides unique opportunities for some parts of the sectors we support to recover and grow.

The ever-growing list of media service and content options is also both a challenge and an opportunity. It is much harder for local content

to be noticed amongst the noise of the global offerings. Local media platforms are struggling in the face of increased competition for advertising revenue from international operators such as Google and Facebook. This is undermining their ability to invest in local content.

In turn, the presence of global operators offers new opportunities to take our stories and songs to global markets. New funds allocated in tranches through 2020 and early 2021 allow NZ On Air to provide more support over the next couple of years to leverage

these opportunities and provide for sustainable creative careers.

Our 2020 *Where Are The Audiences* research showed the movement of audiences from traditional platforms to digital continues at pace, especially amongst younger New Zealanders.

This audience is a significant challenge for NZ On Air, and our creative and platform partners.

From 2021 NZ On Air will be repeating this research annually, reflecting the fast-changing nature of the media environment. Of particular interest in

2021 will be how much the 2020 results were impacted by COVID-19 changes to audience behaviours, and whether the pendulum has completed the swing in favour of free-access online video, Subscription Video On Demand and streaming offerings in all age groups.

Discoverability is a key area of focus in our investment strategy, the NZ Media Fund. With so many content and service options, the chances of funded content being seen by the intended audience diminish. Continuing to track changing audience behaviour and using data to inform what content we fund

for different platforms and how it is promoted, is vital to ensure our funded content has the best chance of being discovered and enjoyed.

Children, like their older peers, have moved away from traditional platforms, although traditional television remains important for a segment of children who do not have access to digital content. In 2020 our ad-free online children’s platform HEIHEL moved into the TVNZ OnDemand platform, after two years as a stand-alone site. It is hoped this move will help New Zealand children engage more deeply with the content across multiple devices and end points.

Since our last Statement of Intent the marketplace has continued to change at pace. MediaWorks sold Three to Discovery, Stuff was bought in a management buyout, and Mercury Capital purchased the Bauer Media magazine titles after Bauer closed its New Zealand operation. NZ On Air expanded its investment in the Local Democracy Reporting scheme into a second year. And with hundreds of journalism jobs disappearing or at-risk, in February 2021

Government stepped in with \$55m in funding through NZ On Air to support at-risk public interest journalism until the end of 2023.

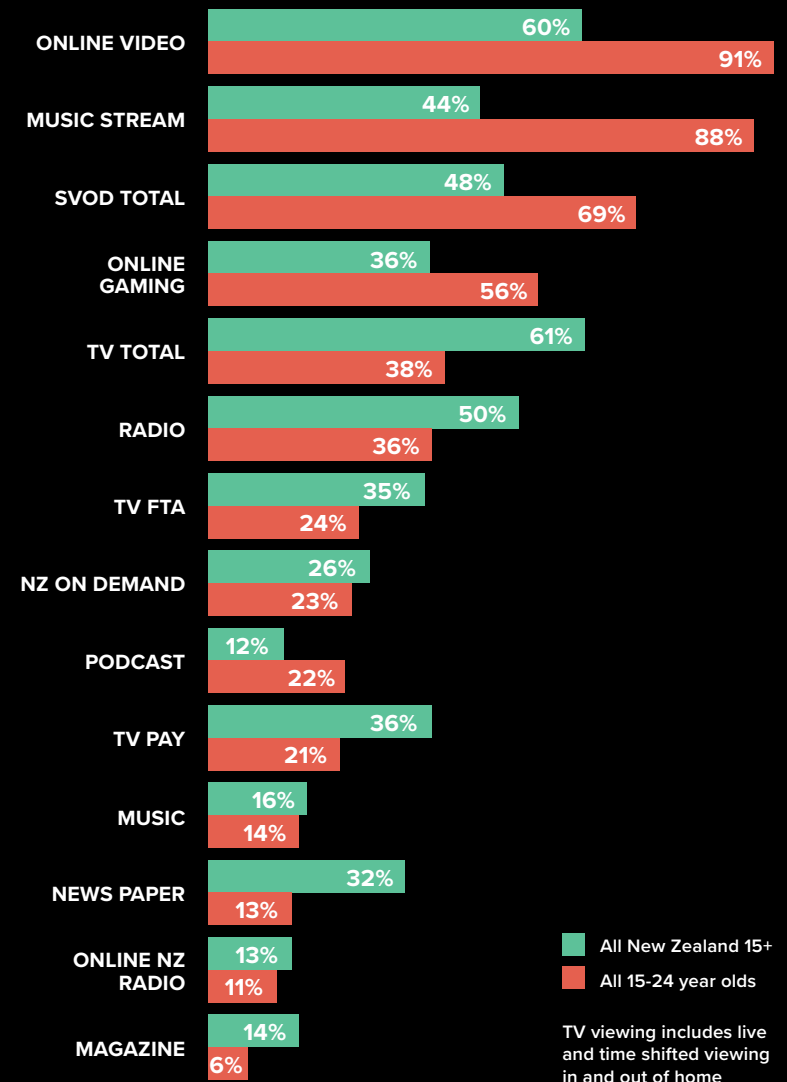
The initiative is intended as a bridge, while commercial media companies look at more sustainable business models.

For musicians 2020 was a harsh year, with pandemic restrictions limiting their ability to play live gigs and tour. The upside was a peak in local content on radio – commercial radio played just over 20% local music in 2020 – for the first time in 15 years, and local songs and albums dominated the charts. The biggest challenge facing local music artists remains cutting through on the global streaming sites, but the 2020 year showed how much local radio can drive local success.

New money, again arising from COVID-19 funding, has also allowed NZ On Air to expand investments both in creating new music, and in talent development.

DAILY REACH OF ALL MEDIA Where Are The Audiences 2020

All NZers 15+ CF all 15-24 yr olds



NGĀ WHĀINGA O TE
PŪTEA HAUMI ME NGĀ
TOHU O TE ANGITU

INVESTMENT
GOALS AND
MEASURES

We work collaboratively to ensure public funds achieve the best possible results for New Zealand audiences. We share information, strategies and challenges with other funding agencies and the wider media sector, looking for opportunities to make public media relevant and accessible to all.

**means relative to the level of funding and the context of other content on the platform.*

Our unique position in which we engage across the media sector allows us to provide strategic leadership, informed by robust research and deep operational knowledge of the sector. We identify gaps in knowledge and commission or produce research and data that we share widely to inform the sector and policymakers, as well as our own strategies.

The NZMF strategy has a clear aim and three investment goals that link to impacts and measures.

QUALITY

NZ audiences enjoy well-made* local content that matters

- Well-made funded content will reflect New Zealand in engaging and informative ways
- Funded content will be seen to be different to similar local content made without public funding

Measured by: The majority of New Zealanders believe NZ On Air supports local content important to New Zealanders (target 75%)

DIVERSITY

NZ audiences value local content made for a range of communities

- New Zealanders will appreciate local content made for audiences with diverse interests

- Content creators will have a range of opportunities to make different types of local content

Measured by: NZ audiences appreciate the diversity of content funded by NZ On Air (target 75%)

DISCOVERABILITY

NZ audiences can find and appreciate local content

- Funded content will be available and enjoyed by audiences on the platforms they use
- Funded content will be online and free to consume at an early stage in its life

Measured by: Annual audience targets are achieved for funded screen and music content (Targets are set annually in the Statement of Performance Expectations.)

We also measure our sector leadership contribution.

- Sector stakeholders are satisfied with the quality of the research, leadership and policy contribution from NZ On Air

Measured by: The majority of stakeholders believe NZ On Air’s leadership, research and policy input is valuable (target 75%)

The NZMF provides a simple, flexible approach to navigating the dynamic media environment.

The NZMF has four funding streams. The Scripted, Factual and Music streams are open and contestable. Platforms is a closed stream supporting selected entities to provide a wide range of public media content. Each stream has an associated annual work programme.

We use a mix of investment models ranging from fully contestable funding rounds and targeted Requests For Proposals, to ring-fenced funding for RNZ.

Detailed operating measures are set out in the annual Statement of Performance Expectations. They are broad to allow us maximum flexibility in a dynamic environment.

Results and trends against the measures are reported in each Annual Report.

NGĀ MĀTĀPONO
WHAKAHAERE
**OPERATING
PRINCIPLES**

We will consistently use nine investment principles, delivering both on Broadcasting Act requirements and the need to manage public funds wisely.

We will also consider new collaboration opportunities and ways to better promote funded content to target audiences.

At a strategic level we will be knowledgeable and provide useful, trusted data and analysis to inform discussion and to guide the agency forward.

Investment principle	NZ On Air will...
CULTURAL VALUE	<p>Prioritise content that:</p> <ul style="list-style-type: none"> tells engaging New Zealand social, cultural, political or historical stories takes an innovative approach is particularly appealing to a specific audience that is less well served with local content and/or contributes to the Rautaki Māori.
BALANCE	Balance general content and diverse content for targeted audiences cited in the Broadcasting Act.
RISK	Be generous with creative risk in funded content; conservative with business risk.
COMPETITION	<p>Support a range of content and entities, both to encourage multiple views and voices, and to encourage competition for the best ideas.</p> <p>Expect commissioning platforms to show a sustained commitment to New Zealand identity and culture.</p>
VALUE FOR MONEY	Use efficient processes and focus on cost-effective content with a reasonable shelf-life that attracts and finds audiences of an appropriate size.
NO DUPLICATION	Invest in content and entities that add diversity to content already available and which the market alone cannot support.
LEVERAGE	Prioritise content and entities that attract other investment (for market validation and to help offset the cost to the taxpayer), and which can leverage other aspects of our work (e.g. screen content which intends to commission or license New Zealand music) and demonstrate a clear plan to find their audience.
CAPABILITY	Prefer content and entities run or supported by capable partners. This means we can monitor efficiently, balancing robust accountability for public funds with a minimum of red tape. Investment support for unproven start-ups will be unlikely.
FAIRNESS	Require accurate, reliable information from applicants (based on application criteria) to ensure good decision-making in a contestable environment.

TĀ MĀTOU TŪ ME TE PITO MATA

ORGANISATIONAL HEALTH AND CAPABILITY

TŌ MĀTOU WHĀNAU OUR PEOPLE

As a small agency we rely on our staff being multi-disciplinary and adaptable. We record our good employer and personnel policies formally and include a commitment to equal employment opportunities. We do not tolerate harassment or discrimination of any type.

We have five core goals:

1. Recruitment, training and remuneration policies focus on attracting and retaining skilled, flexible, efficient and knowledgeable team players.
2. Staff are committed to the agency and our work.
3. Health and safety best practice is well-implemented and appropriately reported.

4. Equal employment opportunity principles are incorporated in staff selection and management, to achieve a diverse workforce.
5. Staff demonstrate commitment to supporting the Crown regarding Te Tiriti o Waitangi and the Maihi Karauna principles, with a focus on upskilling in te reo Māori and tikanga Māori.

The measures we use to assess organisational health and capability are set out in our Statement of Performance Expectations.

In addition to these goals we are working towards understanding how we can reduce carbon emissions in our work, and influence the sector to do the same.

Ā MĀTOU PŪNAHA MAHI OUR SYSTEMS

Information technology is a critical component in supporting our work. Our core systems were updated to support the NZMF from July 2017. In 2020 as part of a rolling schedule of upgrades, we moved to a combination of cloud-based and on-site servers to achieve the most effective solution for our information technology needs. In the period covered by this SOI we will continue to implement the changes and upgrades identified in our Information Technology Roadmap.

Our website is a key component in how we communicate with our stakeholders. This was fully upgraded in 2019 and is regularly reviewed to ensure it continues to best meet our stakeholders' information needs.

We are reviewing how we operate in the post COVID-19 environment and how our workspaces support this. We have set funds aside for office changes and upgrades to accommodate growth and provide an up-to-date, fit-for-purpose working environment.

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